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TO SECSTATE WASHDC IMMEDIATE 1286  
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TAGS: [EAIR](#) [ETRD](#) [BEXP](#) [RP](#)  
SUBJECT: TROUBLED MANILA AIRPORT TERMINAL MAY OPEN SOON

REF: Manila 03743

¶1. Summary: In June, Philippine President Arroyo ordered that the long-delayed Ninoy Aquino International Airport Terminal 3 (NAIA-3) open for domestic commercial flights before the end of July and created a task force to ensure the opening. Two Philippine airlines are already committed to start domestic operations there in the next few weeks. However, further legal challenges may again block the opening or force a re-closing. End summary

¶2. Philippine government officials have announced that the NAIA-3, mothballed for years due to legal controversies, will begin handling commercial domestic flights before the end of July. National Airport officials told us that Cebu Pacific and Philippine Airlines Express both plan to start operations there before the end of July. We confirmed this information with the airlines. A Cebu Pacific executive told us the company expects to move all of its NAIA domestic flights to Terminal 3 before the end of August, and hopes to consolidate its international flights there within six months. However, an executive at Philippine Airlines predicted that Terminal 3 will face legal and technical challenges and could close again soon after it opens.

#### Legal obstacles

¶3. The Philippine Supreme Court ruled that the operation of NAIA-3 could start only after the payment of just compensation to the consortium that built the terminal. Government officials interpret this ruling to mean that they can start operations of the terminal as long as they do not perform 'acts of ownership', which they define as leasing the terminal concessions.

#### Technical evaluation

¶4. An attempt to open the terminal in 2007 failed after a part of a ceiling collapsed and weakened the terminal beams. A consulting firm, hired by Manila International Airport Authority (TCGI Engineers) reported that the terminal is structurally defective and could only withstand a low-intensity earthquake. Another firm that assessed the terminal (The Association of Structural Engineers of the Philippines) reported that the structural defects only affect less than 10 percent of the terminal. They recommended that the safe portions of the terminal open while repairs are made to the other portions.

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